

2 popular coins worth the same weight in gold

By Roger Boye

Here are answers to more questions about coins and currency.

Q—We've read that South African Krugerrands are "91.7 percent fine" while the Canadian maple leaves are "99.9 percent fine." Yet both are advertised as "one-ounce gold coins." Will we own more gold if we buy maple leaves?

—H.O., Muncie, Ind.

A—No; both pieces hold an equal amount of rare metal. Many countries make gold coins with alloys containing small quantities of copper because pure gold is relatively soft and wears rapidly [copper adds hardness]. A "one-ounce Krugerrand" actually weighs nearly 1.1 troy ounces due to the copper while an all-gold maple leaf weighs an even troy ounce.

Q—I want to invest in silver and gold. Do you think current prices are cheap or should I wait for an even lower market?

—P.W., Chicago

A—Sorry, but I don't predict price swings in the precious metals. Suffice it to say that many so-called experts believe prices will continue stagnant for months due to a continued low rate of inflation.

Others say that prices are at or near their bottoms in the current downturn, providing a good buying opportunity. Among other things, those persons forecast increasing industrial demand for precious metals, especially silver, and higher inflation.

Q—Among my late grandfather's belongings was an eight-sided gold coin dated 1853. The legends read "California gold" and "1/2 dollar." What is it?

—L.P., Aurora

A—Following the California gold rush of 1848, many businessmen issued their own gold coins to relieve severe shortages of government money in the West. Production of such pieces peaked in the 1850s and finally ended by 1882 when officials began enforcing an 1864 law that banned such private coinage.

Authentic specimens of small-denomination California gold are prized collectibles, retail prices ranging from \$100 to \$2,000 or more, depending on the type and condition [about 30 varieties are known, including denominations from 25 cents to \$1].

Over the years, forgers have made many imitations, often using a cheap metal plated with gold. Have a coin dealer appraise your piece, but don't get your hopes up. The worthless fakes vastly outnumber authentic specimens.